

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 AGRE-00 STRE-00 SSO-00

INRE-00 NSCE-00 USIE-00 SS-15 NSC-05 ITC-01 /071 W

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FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 2078

INFO ALL EC CAPITALS IMMEDIATE 2586

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PASS AGRICULTURE AND STR ELECTRONICALLY

E.O. 11652: N/A

TAGS: EAGR, EEC

SUBJECT: POULTRY/COGNAC

1. COMMISSION DIRECTOR FOR EXTERNAL RELATIONS GALLAGHER CALLED DCM IN AT END OF DAY OCTOBER 8 AND HANDED HIM AIDE MEMOIRE SUMMARIZING COMMISSION'S DECISIONS FOLLOWING POULTRY MANAGEMENT COMMITTEE MEETING. TEXT FOLLOWS.

2. BEGIN TEXT: "1. THE COMMISSION HAVE TAKEN THE DECISION, FOLLOWING THE MEETING OF THE POULTRY MANAGEMENT COMMITTEE ON 8 OCTOBER, TO MODIFY AS FOLLOWS THE TECHNICAL COEFFICIENTS USED TO DERIVE SLUICE-GATE PRICES FOR CERTAIN TURKEY PARTS:

	OLD COEFFICIENT	NEW COEFFICIENT
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TURKEY DRUMSTICKS	0.90	0.80
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TURKEY THIGHS	1.55	1.40
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NO MODIFICATION HAS BEEN POSSIBLE FOR TURKEY BREASTS. HOWEVER,

THE COEFFICIENT FOR BREASTS WOULD IN NORMAL CIRCUMSTANCES NOW HAVE BEEN INCREASED, IN ORDER TO RESPECT A BETTER RELATIONSHIP WITH OTHER TURKEY PARTS. THE DECISION TO RETAIN THE EXISTING COEFFICIENT FOR BREASTS OF 1.65 THEREFORE CONSTITUTES A POSITIVE GESTURE.

"2. THE COMMUNITY'S BASIC REGULATIONS, IN CONFORMITY WITH THEIR FUNDAMENTAL PURPOSES, DO NOT PERMIT SUPPLEMENTARY LEVIES TO BE ASSESSED OTHERWISE THAN ON THE PRICE OF POULTRY ON ARRIVAL AT THE COMMUNITY'S BORDER. THE COMMISSION DO NOT SEE ON WHAT OTHER BASIS ASSESSMENT COULD BE MADE, IN THE ABSENCE OF RELIABLE INFORMATION ABOUT PRICES PRIOR TO ARRIVAL AT THE BORDER. NOR DO THEY BELIEVE THAT THE PRESENT REGULATIONS IN PRACTICE CREATE ANY REAL PROBLEMS FOR POULTRY EN ROUTE TO THE COMMUNITY FROM THE U.S., GIVEN THAT THE TRANSIT TIME IS NORMALLY SHORTER THAN THE ADMINISTRATIVE TIME-LAG IN IMPLEMENTING CHANGES IN THE SUPPLEMENTARY LEVY. NEVERTHELESS THE COMMISSION ARE READY TO HAVE TALKS AT THE TECHNICAL LEVEL WITH THE US ADMINISTRATION IN ORDER TO FURNISH ANY FURTHER EXPLANATION WHICH MAY BE DESIRED.

"3. THE COMMISSION'S READINESS TO PROCEED TO THE IMPLEMENTATION OF THEIR DECISION ON TECHNICAL COEFFICIENTS IS CONDITIONAL ON:

(A) ACTION NOT BEING TAKEN TO MODIFY THE PRESENT PRICE BREAK OF \$17 PER PROOF GALLON IN THE ASSESSMENT OF DUTY ON IMPORTS INTO THE U.S. OF COMMUNITY BRANDY;

(B) COMMUNITY EXPORTS OF DEXTRINE TO THE U.S. BEING NO LONGER PENALISED.

"4. FURTHERMORE, THE MODIFICATION OF THE TECHNICAL COEFFICIENTS FOR TURKEYS WILL BE CONSIDERED BY THE COMMUNITY AS A CREDIT TO BE TAKEN INTO ACCOUNT IN THE MTN,

"5. THE COMMISSION WILL TAKE THE NECESSARY ACTION TO IMPLEMENT THEIR DECISION ON RECEIPT OF CONFORMATION THAT THE ABOVE TWO CONDITIONS ARE ACCEPTABLE TO THE US AUTHORITIES.

"6. THE DECISION OF THE POULTRY MANAGEMENT COMMITTEE IN RECENT MONTHS TO LEAVE THE PRESENT SUPPLEMENTARY LEVIES ON TURKEYS UNCHANGED CONSTITUTES A FURTHER POSITIVE GESTURE. BUT THE LIMITED OFFICIAL USE

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COMMISSION IS UNABLE TO GIVE ANY FORMAL ASSURANCE AS TO THE PRECISE FUTURE LEVEL OF THE VARIABLE SUPPLEMENTARY LEVIES, WHICH ARE ULTIMATELY DETERMINED BY MARKET FORCES AND OTHER OBJECTIVE CRITERIA." END TEXT.

3. GALLAGHER CONFIRMED THAT TWO CONDITIONS REFERRED TO IN PARA. 5 OF NOTE ARE ONLY POINTS (A) AND (B) IN PARA. 3, AND THAT PARA. 4 IS UNILATERAL STATEMENT BY COMMISSION NOT

REQUIRING U.S. AGREEMENT.

4. DCM EXPRESSED PERSONAL DISAPPOINTMENT OVER COMMISSION'S
INADEQUATE RESPONSE TO OUR REQUEST.HINTON

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Message Attributes

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Draft Date: 08 OCT 1976
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Decaption Note:
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Disposition Authority: ShawDG
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Margaret P. Grafeld
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